

The Law Offices of

WM. J. SIMON

Riverside (909) 686-1561
San Bernardino (909) 884-6067
Facsimile (909) 686-4859

4333 Orange Street, Suite 2
Riverside CA 92501

June 23, 2000

Darryl Wold
Chairman
Federal Election Commission
Washington, D.C. 20463

Re: Kathleen Daley, Treasurer
Lincoln Club of Riverside County
MUR 5015

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
JUN 30 2 52 PM '00

Dear Mr. Wold:

In response to the factual and legal analysis that your staff has prepared, we submit the following information that was not apparent from the public record:

We recognize that the information tends to provide evidence of mitigation as opposed to exculpation, but it does address the issue that the violation of Section 434, et seq. was not a willful act. As noted herein below and with the accompanying declaration we are providing you with this information both in a narrative format as well as in an admissible declaration format.

The nature of defense is the impossibility of performance. As noted from the documents attached to the declaration of Kathleen Daley, Ms. Daley had entered into a partnership as the business of providing bookkeeping services with one Elaine Alvarado. That partnership terminated in a very hostile manner on November 28, 1997.

After Ms. Alvarado left, Ms. Daley attempted to access the campaign report data prior to January 31, 1998 and discovered that the program was corrupted. She thereafter attempted to retrieve original source documents and discovered that they were not maintained in any type of reasonable filing system. In fact, Ms. Daley conducted an investigation of the offices and could not find any of the documents and because of the fact that Ms. Alvarado had communicated that she had withheld pieces of information as ransom, Ms. Daley assumed that she had done that with the Lincoln Club's financial records.

Page 2
June 23, 2000
Daley

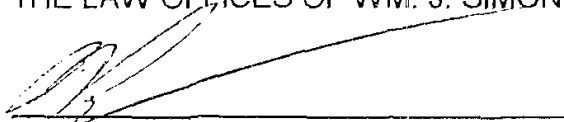
Because the reports contained historical and prospective information it was impossible to prepare the reports for a single period once Ms. Daley ultimately obtained duplicate information from the bank and photostatic copies of the checks. On January 16, 1998, once Ms. Daley discovered the extent of the missing information she began the retrieval process which included having the computer program reinstalled and the data retrieved.

As accurately noted in your findings, all of the reports were filed on February 1, 1999 and all subsequent reports were prepared and filed on a timely basis. Ms. Daley's failure was not to communicate to you the nature of the problem and not requesting an extension. On all of the years Ms. Daley has been treasurer, 1986 to present, the only period she has been delinquent are the periods in question.

Based on the foregoing, we request that you reconsider your findings and consider the events allowing these circumstances be deemed a greater mitigation. Both Ms. Daley and I stand ready, willing, and able to supply documents or information you may require to demonstrate the veracity of the facts alleged herein.

Very truly yours,

THE LAW OFFICES OF WM. J. SIMON



WM. J. SIMON

WJS/mic
F:\Daley\Lincoln Club of Riverside\Letters\Ltr to Darryl Wold
97024.04D

Enclosures

cc: Client
Karen White

DECLARATION OF KATHLEEN DALEY

1. I Kathleen Daley am the treasurer of Lincoln Club of Riverside County.

The facts stated herein are true and correct to the best of my knowledge and information, and if called to testify, I could and would competently testify to the following facts:

2. On May 9, 1997 I entered into a partnership agreement with one Elaine R. Alvarado.

3. Our partnership terminated in a very hostile manner on November 28, 1997.

4. After Ms. Alvarado left, I attempted to access the campaign report data prior to January 31, 1998 and discovered that the program was corrupted. I thereafter attempted to retrieve original source documents and discovered that they were not maintained in any type of reasonable filing system. In fact, I conducted an investigation of the offices and could not find any of the documents and because of the fact that Ms. Alvarado had communicated that she had withheld pieces of information as ransom, I assumed that she had done that with the Lincoln Club's financial records.

5. Because the reports contained historical and prospective information it was impossible to prepare the reports for a single period once I ultimately obtained duplicate information from the bank and photostatic copies of the checks. On January 16, 1998, once I discovered the extent of the missing information I began the retrieval process which included having the computer program reinstalled and the data retrieved.

6. As accurately noted in your findings, all of the reports were filed on February 1, 1999, i.e., the 1997 year end report; the 1998 April quarterly report; the 1998 July quarterly report; the 1998 October quarterly report; the 1998 12-day pre-general report; and the 1998 30-day post-general report. All subsequent reports were

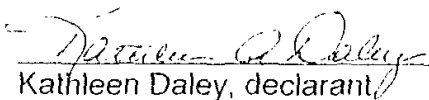
prepared and filed on a timely basis. My failure was not to communicate to you the nature of the problem and not requesting an extension. On all of the years I have been treasurer, 1986 to present, the only period I have been delinquent are the periods in question.

7. I request that you reconsider your findings and consider the events allowing these circumstances be deemed a greater mitigation. I stand ready, willing, and able to supply documents or information you may require to demonstrate the veracity of the facts alleged herein.

I declare under the penalty of perjury, under the laws of the State of California, that the above is true and correct.

Executed this 23rd day of June, 2000, at Riverside, California.

Respectfully submitted,


Kathleen Daley, declarant

November 28, 1997

Mrs. Elaine Alvarado
6292 Ave Juan Dias
Riverside, Ca. 92509

Second Address: P. O. Box 2554
Riverside, Ca. 92516

Dear Elaine,

Since you have elected to withdraw from the partnership known as DALEY TAX we are going to treat this as a dissolution effective this day November 28, 1997 under paragraph 11.1.2 and/or paragraph 11.1.3 of the California Corporation and Partnership Code.

Sincerely,

Kathleen A. Daley
6696 Brockton Avenue
Riverside, Ca. 92506